

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

LAW OFFICES  
ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006

13016

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

TELEX  
440348 CDAA U

MAR 27 1981 - 4 00 PM  
INTERSTATE COMMERCE COMMISSION

March 27, 1981

Ms. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

No.  
Date MAR 27 1981  
Fee \$ 50.00  
ICC Washington, D.C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section 11303(a) of Title 49 of the United States Code and the regulations thereunder is a Chattel Mortgage Assignment and Security Agreement dated as of April 15, 1980 ("Document").

A general description of the railroad equipment covered by the Document is found in Exhibit A attached hereto and made a part hereof.

The names and addresses of the parties to the Document are:

Debtor: Emons Industries, Inc.  
490 East Market Street  
York, Pennsylvania 17403

Secured Party: The Chase Manhattan Bank,  
National Association  
1441 Broadway  
New York, New York 10013

The undersigned is agent for the Debtor for the purpose of submitting the enclosed document for recordation and has knowledge of the matters set forth therein.

Please return the stamped copies of the Document to the undersigned or to the bearer thereof.

Also enclosed is a remittance in the amount of

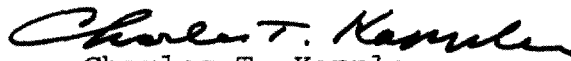
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I.C.C.

*Charles T. Kappler*

Ms. Agatha L. Mergenovich  
Interstate Commerce Commission  
March 27, 1981  
Page Two

\$50.00 in payment of the required recordation fee.

Very truly yours,

  
Charles T. Kappler

CTK/lac  
Enclosures

EXHIBIT A

<u>Quantity</u>	<u>Description of Units</u>	<u>Serial Numbers</u>
16	52'6" 100-ton rigid under-frame railroad gondola cars with fixed ends.	MPA 20084 through MPA 20099, inclusive

MAR 27 1981 -4 00 PM

INTERSTATE COMMERCE COMMISSION

**CHattel MORTGAGE,  
ASSIGNMENT AND  
SECURITY AGREEMENT**

EMONS INDUSTRIES, INC., a New York corporation, (hereinafter called the "Company"), in consideration of the granting by THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION) (hereinafter called the "Bank") of a credit facility up to, but not exceeding, in the aggregate principal amount at any one time outstanding the lesser of (a) \$10,000,000, or (b) 80% of the Borrowing Base (as defined in the Agreement dated as of September 1, 1978 between the Company and the Bank), and in order to secure the payment of the principal of and interest on the Notes (as defined in the aforementioned Agreement) and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants and conditions in the aforementioned Agreement; does hereby sell, convey, warrant, mortgage, assign, pledge, grant a security interest in, and hypothecate unto the Bank, its successors and assigns, the following described properties, rights, interest and privileges (all of such properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral"):

(a) Railroad equipment consisting of sixteen (16) railroad gondola freight cars (said freight cars and equipment to be more

specifically described in Exhibit A attached hereto) and together with all accessories, equipment, parts and appurtenances attached to any of the railroad equipment, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and additions, improvements to, any and all of said railroad equipment;

(b) All right, title and interest of the Company, as Lessor in any Lease or Leases or Conditional Sales Agreements, to any and all rents and other sums due and to become due pursuant to the said Lease or Leases or Conditional Sales Agreements, including any and all extensions and renewals thereof, insofar as the same cover or relate to the railroad equipment described in Exhibit A; it being the intent and purpose hereof that the assignments and transfer to the Bank of said rents and other sums to become due under the Lease or Leases or Conditional Sales Agreements, shall be effective and operative immediately and shall continue in full force and effect and the Bank shall have the right to collect and receive said rents and other sums and to apply same in payment of the Notes hereinbefore mentioned;

The Company represents and warrants: (i) Company has title to the Collateral free and clear of all liens and encumbrances; (ii) no financing statement covering any of the

Collateral is on file in any public office; and (iii) its certificate of incorporation does not prohibit the security interest granted herein and the execution of this Agreement will not violate any law or any agreement to which it is a party.

The Company covenants and agrees that Company:

- (i) will keep the Collateral or cause the Collateral to be kept in good working order, repair and running condition, and will replace any worn, broken or defective parts;
- (ii) will promptly pay all taxes levied or assessed against the Collateral and will keep the Collateral free and clear of all liens, attachments and encumbrances;
- (iii) will allow the Bank and its representatives free access to the Collateral at all reasonable times for the purpose of inspection;
- (iv) will promptly notify the Bank in writing of any loss to the Collateral;
- (v) will indemnify the Bank against all claims arising out of or connected with the ownership or use of the Collateral;
- (vi) will reimburse the Bank upon demand for all expenses incurred in connection with perfecting the security interest granted herein or the satisfaction thereof;
- (vii) will not abandon the Collateral;
- (viii) will not sell, assign, lease, mortgage or otherwise dispose of any interest in the Collateral unless said sale, lease, assignment, mortgage or other document is subordinate to the Bank; and
- (ix) will not use or permit the Collateral to be used for any unlawful purpose or in violation of any Federal, state or municipal law, statute or ordinance.

The Company hereby assigns to the Bank any and all moneys (including, but not limited to, proceeds of insurance, return or unearned premiums) which may become due under any policy or agreement insuring the Collateral against any loss due to destruction, and directs the insurance company issuing such policy or other party to make payment thereof directly to the Bank. The Bank may, at its option, apply any insurance or other moneys so received to the cost of repairs to the Collateral and/or to payment of any of the Notes, in any order the Bank may determine, whether or not due, and shall remit any surplus to the Company. The Company irrevocably appoints the Bank as the Company's attorney-in-fact, with full power of substitution, to receive all such moneys, to execute proof of claim, to endorse drafts, checks and other instruments for the payment of money payable to the Company in payment of such insurance moneys, to adjust and compromise any claim, to execute releases, to cancel any insurance policy covering the Collateral when such policy is not required to protect Company's or the Bank's interest and to do all other acts and things that may be necessary or required to carry into effect the power herein granted.

The Company agrees that whenever a default shall be existing, the Bank shall have the following rights and remedies to the extent permitted by applicable law: (a) to enter the foregoing premises or such place or places where any of the Collateral may be located and take and carry away the same by

any of its representatives, with or without legal process, to Company's place of storage; (b) to sell the Collateral at public or private sale, whether or not the Collateral is present at such sale and whether or not the Collateral is in the constructive possession of the Bank or the person conducting the sale, in one or more sales, as an entirety or in parcels, for the best price that the Bank can obtain and upon such terms as the Bank may deem desirable; (c) to be the purchaser at any such sale; (d) to require the Company to pay all expenses of such sale, taking, keeping and storage of the Collateral, including reasonable attorneys fees; (e) to apply the proceeds of such sale to all expenses in connection with the taking and sale of the Collateral, and any balance of such proceeds toward the payment for the Notes in such order of application as the Bank may from time to time elect; (f) to require the Company to assemble the Collateral upon the Bank's demand, at the Company's expense and make it available to the Bank at a place designated by the Bank which is reasonably convenient to both parties; and (g) to exercise any one or more rights or remedies accorded by the Uniform Commercial Code. If the proceeds of any such sale are insufficient to pay the expenses, as aforesaid, and the Notes, the Company agrees to pay any deficiency to the Bank upon demand and if such proceeds are more than sufficient to pay such expenses and Notes, the Bank agrees to pay the surplus to the Company.

If at the time of repossession any of the Collateral, the Collateral contains other personal property not included in



the Collateral, the Bank may take such personal property into custody and store it at the risk and expense of the Company. The Company agrees to notify the Bank within 48 hours after repossession of the Collateral of any such other personal property claimed and that failure to do so will release the Bank or representatives from any liability for loss or damage thereto.

At the request of the Bank, the Company will join with the Bank in filing this Chattel Mortgage, Assignment, and Security Agreement. The Company hereby authorizes Bank to file a financing statement signed only by the Bank in all places where necessary to perfect the Bank's security interest in the Collateral. Without limiting the foregoing, the Company agrees that whenever a Lease or Conditional Sales Agreement requires the Company to sign a financing statement for filing purposes, the Company hereby appoints the Bank or any of the Bank's representatives as the Company's attorney and agent, with full power of substitution, to sign or endorse the Company's name on any such financing statement or other document and authorizes the Bank to file such a financing statment in all places where necessary to perfect the Bank's security interest in the Collateral; and the Company hereby ratifies all acts of said attorney and said substitute and agrees to hold the Bank and said attorney harmless from any acts of commission or omission or any error or judgment or mistake of fact or law pertaining thereto.

This Chattel Mortgage, Assignment and Security Agreement is in addition to, and not in limitation of, any other right and remedy the Bank may have by virtue of any other instrument or agreement heretofore, contemporaneously herewith or hereafter executed by the Company or by law or otherwise. If any provision of this Chattel Mortgage, Assignment and Security Agreement is contrary to applicable law, such provision shall be deemed ineffective without invalidating the remaining provisions hereof. If and to the extent that applicable law confers any right or imposes any duty inconsistent with or in addition to any of the provisions hereof the affected provision shall be considered amended to conform thereto. The Bank shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder. A waiver by the Bank of any right or remedy hereunder on any one occasion, shall not be construed as a bar to or waiver of any such right or remedy which the Bank would have had on any future occasion nor shall the Bank be liable for exercising or failing to exercise any such right or remedy. It is expressly understood and agreed that whenever the service of any notice to the Company is required hereby or is otherwise required, such notice may be sent to the Company by ordinary mail to the address shown in the aforementioned Agreement, and if so mailed, such notice shall be deemed sufficient notice thereof.

This Chattel Mortgage, Assignment and Security Agreement shall be construed in accordance with the laws of the State of New York.

This Chattel Mortgage, Assignment and Security Agreement shall be binding upon and shall inure to the benefit of the Company, the Bank and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the 15th day of April, 1980.

EMONS INDUSTRIES, INC.

Attest:

Edye Hovatter  
asst. secy.

Attest

\_\_\_\_\_

By:

Robert Grossman  
Title:

THE CHASE MANHATTAN BANK  
(National Association)

By:

[Signature]  
Title: 2 v.p.

EXHIBIT A

<u>Quantity</u>	<u>Description of Units</u>	<u>Serial Numbers</u>
16	52'6" 100-ton rigid under-frame railroad gondola cars with fixed ends.	MPA 20084 through MPA 20099, inclusive

State of Pennsylvania )  
County of *Philadelphia* ) SS:

On this *18th* day of April, 1980, before me personally appeared Robert Grossman, to me personally known, who being by me duly sworn, says that he is the Chief Executive Officer of EMONS INDUSTRIES, INC., Lessor in the foregoing Lease of Railroad Equipment, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Agatha Rocchia*  
Notary Public

AGATHA ROCCHIA  
Notary Public, Phila., Phila. Co.  
My Commission Expires May 8, 1982

State of New York )  
County of *New York* ) SS:

On this 17th day of April, 1980, before me personally appeared Ira Glazer, to me personally known, who being by me duly sworn, says that he is a Second Vice President of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION); that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*John F. Triggs*  
Notary Public  
JOHN F. TRIGGS  
Notary Public, State of New York  
No. 31-9379700  
Qualified in New York County  
Commission Expires March 30, 1982